

# ARCANA CAPITAL

Issued by Arcana Capital Funds Management Pty Ltd ABN 79 633 164 155 AFSL 518744

**Blue Chip Investment Opportunity**

**Services Australia Customer Centre**

**Adelaide, South Australia**



Forecast Annualised Distributions:

**Year 1 – 8.00% p.a.**

**Year 2 – 8.75% p.a.**

A modern suburban office facility serving as a key base of operations for Centrelink, NDIS and Medicare

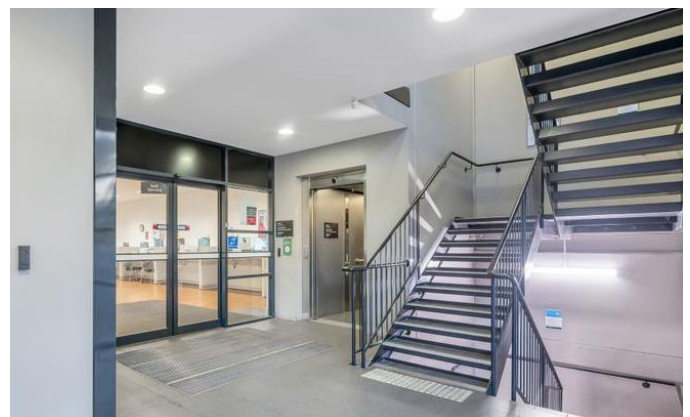
## Investment Highlights

- **Attractive forecast distributions – 8.00% in Year 1.**
- **Low capital cost, reflecting \$4,250/m<sup>2</sup> of Net Lettable Area (NLA).**
- **100% leased by the Federal Government.**
- **Desirable location in vibrant North-East Adelaide community support hub.**
- **Opportunity for “value-add” through solar and battery projects.**

Adelaide is the capital city of South Australia and is Australia’s fifth-largest city, with a metropolitan population of over 1.4 million people ([Australian Bureau of Statistics, 2023](#)). With South Australia reporting a FY 2022-23 Gross State Product of \$134.21 billion, Greater Adelaide’s economy is supported primarily by the healthcare, defence, and manufacturing industries ([Government of South Australia, 2023](#)).

96 Reservoir Road is strategically located in a major retail and health precinct in Adelaide’s north-east locality, Tea Tree Gully. The property is highly accessible via public transport and is located 300m from Westfield Tea Tree Plaza, 150m from Modbury Triangle Shopping Centre, and directly adjacent to Modbury Hospital.

The building was purpose-built for Services Australia in 2010 and has an NLA of 2,000m<sup>2</sup> with 90 undercover car parks for customers and staff (reflecting an attractive ratio of 1 space per 22m<sup>2</sup>). Services Australia, represented by the Commonwealth of Australia and formerly known as the Department of Human Services, has occupied the premises since construction in 2010 to facilitate a number of different agencies including Centrelink, NDIS and Medicare.



## Overview and Key Features of the Proposed Investment / Trust

(figures below are pre due-diligence investigations and may be subject to change)

<b>Address of Asset</b>	96 Reservoir Road, Modbury, SA, 5092.
<b>Property Type</b>	Services Australia Customer Centre.
<b>NABERS Rating</b>	4.5-Stars.
<b>Current Total Net Income</b>	\$703,630.90 p.a. (excl. GST) as at 25 March 2024 before asset management and custodian fees.
<b>Purchase Price</b>	\$8,500,000 (excl. GST).
<b>Net Purchase Yield</b>	8.28%. *Approximation based on purchase price and current total net income.
<b>Net Lettable Area (NLA)</b>	2,000m <sup>2</sup> .
<b>Tenancy Profile</b>	Services Australia.
<b>WALE</b>	2.85 years as at 25 March 2024.
<b>Forecast Distributions</b>	Forecast annualised rates of distribution (paid monthly): Year 1 – 8.00% p.a. (annualised). Year 2 – 8.75% p.a.  *These forecasts are not guaranteed and may not be achieved.
<b>Tax Advantaged</b>	A depreciation report will be sought prior to settlement of the property. This will include a depreciation forecast and projected tax depreciation benefits for investors that may be applicable.
<b>Investment Timeframe</b>	Approximately five years*.  *Asset divestments are subject to market and property conditions.
<b>Borrowing</b>	\$3,612,500 (based on 42.50% LVR).
<b>Forecast Average Interest Rate</b>	Year 1 – 6.25% p.a. (annualised). Year 2 – 5.75% p.a.
<b>Interest Cover</b>	Approximately 2.9 times at settlement.
<b>Unit Price Offer Amount</b>	Approximately 5,765,000 units at \$1.00 per unit. Minimum investment of \$100,000. Maximum investment of \$850,000.
<b>Investor EOI</b>	Non-binding EOIs noting interest and potential investment amount submitted by 9 April 2024.

**Expression of Interest – 96 Reservoir Rd Adelaide Unit Trust**

Please complete this form and email to the address below – or use the [online form on our website](#).

Investment Amount: \$ \_\_\_\_\_

(minimum \$100,000 in multiples of \$50,000)

Proposed Investment Entity: \_\_\_\_\_

(i.e. SMSF, Corporation, Trust, Individual)

Given Name: \_\_\_\_\_

Family Name: \_\_\_\_\_

Email address: \_\_\_\_\_

Contact phone number: \_\_\_\_\_

**Please Note:**

- **Completion of this form does not constitute an application for units in the 96 Reservoir Rd Adelaide Unit Trust, nor does it guarantee an allocation of units.**
- **Applications can only be made by Wholesale Investors, using the formal Application Form available once the Information Memorandum, Unitholders’ Agreement, Asset Management Agreement, and Trust Deed are provided – forecast to be available late April 2024.**
- **Allocation of units in the Trust will occur when completed and signed formal Application Forms are received along with the required 10.00% deposit.**



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